



GOP INCREASES ITS RAID ON SOCIAL SECURITY TRUST FUND WITH ITS BILL MAKING TAX CUTS PERMANENT!!

Before Bringing Up Any More Tax Cut Bills, House GOP Should Be Proposing A Plan to Save Social Security!!

- **In 1999, 2000, and 2001, House GOP Voted Seven Times To Fully Protect Social Security Trust Fund** – In 1999, 2000, and 2001, the House GOP voted seven times to fully protect the Social Security Trust Fund – putting the Social Security Trust Fund in a lock-box to prevent it from being used to pay for tax cuts or additional spending. Speaker Dennis Hastert stated, “We are going to wall off the Social Security Trust Funds. ... We are not going to dip into that at all.”
- **In January 2002, CBO Projected Social Security Would Be Raided by \$845 Billion Over Next Decade, Primarily Due to 2001 GOP Tax Cuts.** In the spring of 2001, Congressional Democrats predicted that the GOP economic plan, primarily the tax cuts, would result in raiding the Social Security Trust Fund – but Republicans dismissed their concerns. However, the projections of the nonpartisan Congressional Budget Office released in January 2002 showed that the Democratic predictions had been correct. Specifically, in January 2002, the Congressional Budget Office reported that last year’s Republican budget, primarily the GOP tax cuts, were on course to raid \$845 billion of the Social Security Trust over the next 10 years.
- **Then, in February, Bush Administration Proposed A Budget That Made Things Even Worse – Proposing \$675 Billion in New Tax Cuts!!** Despite the fact that the nation’s fiscal picture now and for the foreseeable future is already dire, the Bush Administration’s budget, submitted in February, proposes to make the situation even worse by calling for \$675 billion in new tax cuts over the next 10 years. One of the key elements of the Administration’s additional tax cuts is \$374 billion over 10 years for making the 2001 GOP tax cuts permanent.

UPDATE
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- **Every Penny of \$675 Billion in New Tax Cuts Proposed by Bush Administration – Including \$374 Billion for Making 2001 Tax Cuts Permanent – Comes Straight Out of the Social Security Trust Fund!** The Bush Administration is proposing \$675 billion in new tax cuts over the next decade – in addition to the \$1.3 trillion enacted in June 2001 – despite the fact that the Social Security Trust Fund is already being raided!! Indeed, every single penny of the \$675 billion in new tax cuts proposed by the Bush Administration comes straight out of the Social Security Trust Fund. This means that every single penny of the \$374 billion 10-year cost of making the 2001 tax cuts permanent comes straight out of the Social Security Trust Fund. In addition, the tax cut bill the GOP leadership brings to the Floor on April 18th may include additional revenue-losing provisions, raising the cost of the bill to over \$500 billion.
- **Furthermore, This GOP Bill Will Also Cost the Treasury \$4 Trillion over the Decade After 2012, Just When The Baby Boom Is Retiring** – In addition to its \$374 billion cost in the next 10 years (2003-2012), the GOP bill making the tax cuts permanent would cost the Treasury approximately \$4 trillion in the decade after 2012. This rather massive cost would come just when the Baby Boom generation begins to retire and the Social Security and Medicare systems come under increasing financial strain.
- **Before Any More Tax Cut Bills Are Considered, Democrats Believe We Need A Plan In Place to Save Social Security.** Democrats believe that the only way to properly prepare for the Baby Boom generation's retirement is to get back to a long-term budget plan that will call for setting aside the Social Security Trust Fund and using the Social Security surplus only for Social Security and paying down the national debt held by the public – which now stands at \$3.4 trillion. Paying down the national debt will strengthen the financing of the Social Security Trust Fund over the long term and better enable the country to meet its commitments to the millions of Americans in the Baby Boom generation for secure Social Security and Medicare benefits. That is why Democrats are arguing that legislation making the tax cuts permanent must be contingent upon Congress and the President first taking action to ensure that the Social Security Trust Fund is saved for Social Security.